TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office

March 18, 1999 LB 229, 632

Pedersen's bill. It deals with the motor vehicle licensing and manufacturer and dealer relationship to some extent. amendment which the committee made to LB 229 and which consistent with what we're introducing and proposing to add to 632, prohibits the unlawful conveyance of consumer customer information by a dealer except for necessary communications with the manufacturer in relationship to warranty work and follow-up information for the...for the servicing or warranty of the car. There have been some concerns about information that a customer gives to a dealer being passed on and used in other ways to place that person on a particular mailing list or to make that customer perhaps more subject to calls or inquiries or sales pitches, if you will, with regard to other products. And the exchange of that information, at least by dealers, prohibited as the result of the addition of this amendment. second part of the amendment, and this is really I think the crux of the bill, deals with a situation that a lot of car dealers, and particularly smaller dealers, have found themselves in of a manufacturer refusing to allow them to have a fair share the more popular models to sell and perhaps steering those models to either company-owned stores or dealerships that manufacturer feels that they want to favor. And this amendment would prohibit the manufacturers from refusing to offer certain models within a line of automobiles to particular dealers. the other part of that is sometimes dealers have been asked to buy perhaps an unreasonable amount of advertising or equipment as a prerequisite to being able to sell a particular model of automobile or vehicle, and this would prohibit that practice of requiring the dealers to buy unreasonable amounts of advertising equipment as a prerequisite. The manufacturers accommodated somewhat in the amendment that comes out of committee in the sense that the manufacturer can require the dealers to purchase stock parts or equipment to service the new models that they might be selling. In other words, if they're going to sell them, they have to be prepared to service them as And they can require that they participate in reasonable well. training programs that might be necessary for them to provide an informed description to the potential buyer of the new motor vehicle. Manufacturers of recreational vehicles are exempted from this portion of the bill. Now this has been an ongoing problem in this state. I am told that this type of legislation has been successfully adopted in some of our neighboring states